



February 29, 2012

To: House Committee on Insurance

From: Kathleen A. Taylor, Kansas Bankers Association *KAT*

Re: SB 264: Trust Companies as Nominees

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present written testimony today in favor of **SB 264**, which would allow a life insurance company to name as nominee, a trust company, to manage its investments.

To provide some history, modern trust companies were first chartered in Kansas in the late 1980's. There are currently nine state chartered trust companies, managing more than 23 Billion dollars in assets. Trust departments in Kansas banks manage just over 8 Billion dollars in assets.

The Kansas Bankers Association Trust Division has as its members, both trust departments of banks, and stand alone trust companies. The law already allows trust departments of banks to serve as nominees for insurance companies, and we believe it is important that trust companies have the same ability.

In addition, we believe it is important that all Kansas insurance companies have options available to them. As a supporter of last year's SB 185, we, too, believe the intent was never to exclude life insurance companies from being able to use trust companies in this capacity. Not including them was simply an oversight. We believe that life companies should have the same right to name a trust company as a nominee as non-life companies.

In conclusion, when the Committee considers **SB 264**, we would ask that it act favorably. Thank you for your time on this matter.